FLANDERS INVESTMENT & TRADE MARKET SURVEY

SWEDEN B 11





BEAUTY PRODUCTS IN SWEDEN

Flanders Investment & Trade April 2020



Т

TABLE OF CONTENT

1.	Introduction			
2.	Beauty defined		3	
3.	Beauty market in Sweden			
	3.1 Trends in the beauty and cosmetics market			
	3.2	top beauty brands in sweden		
	3.3	Differences with Belgium		
		3.3.1 Product Aesthetics		
		3.3.2 Branding and marketing	8	
		3.3.3 Emphasis on simplicity of ingredients		
	3.4	The Swedish Cosmetics, Toiletries and Detergents Association (KoHF)		
4.	Branding			
	4.1	Online branding		
5.	. Most important Events and magazines			
	5.1	Trade fairs	14	
	5.2	Swedish beauty magazines		
	5.3	Beauty product distributors		
6.	regulations			
	6.1	regulations on a European level	17	
	6.2	Regulations on a national level		
		6.2.1 Marketing & Branding		
		6.2.2 Advertising language		
7.	Expanding to Sweden		20	
	6.3	a relaxed atmosphere	20	
	6.4	lagom	20	
	6.5	Fika	21	
	6.6	decision making		
	6.7	do's and dont's in Sweden	21	
7.	Relevant sources			
	7.1	some relevant websites	<u>22</u>	
8.	References			
9.	lcoi	nography		

1. INTRODUCTION

Beauty is a concept that will always captivate women and man of all ages. Products like beauty, haircare, skincare etc are playing an important role for ages. Knowledge about ingredients and working of different actors within these are becoming essential. Trends are starting and views are shifting.

Beauty products and the according beauty sector is one of the big players in the Swedish consumer market. As a country that places big emphasis on the health aspect in different parts of life, food consumption, beauty, work and others, it does the same with the products regarding the beauty sector. This has a big impact on the marketing of these products, whick will also be tackled in this report.

With beauty products already embedded in everyday society, it is expected to remain relevant but have a shift within the sector.

2. BEAUTY DEFINED

To be able to understand the market of beauty products, a definition of a cosmetic product is necessary. According to article 2 of the EU cosmetics regulation (Regulation (EC) No. 1223/2009), a cosmetic product is defined as

"Any substance or mixture intended to be placed in contact with the various external parts of the human body (epidermis, hair system, nails, lips and external genital organs) or with the teeth and the mucous membranes of the oral cavity with a view exclusively or mainly to cleaning them, perfuming them, changing their appearance and/or correcting body odors and/or protecting them or keeping them in good condition" (CTPA, 2020).

Whether or not a product is classified as a cosmetic depends on three questions according to the European regulation. The purpose of the product is intended to do one of the classifications below. If this is not the main purpose of the product, it cannot be classified as a cosmetic.

- Clean
- Perfume
- Change appearance

- Correct body odor
- Protect
- Keep in good condition.

Secondly, the site of application is a determining factor whether a product is a cosmetic or not. If the product is intended to be applied to the following areas, it is possibly a cosmetic. If this is not the case, it cannot be classified as such.

- Epidermis
- hair system
- nails
- lips

- external genital organs
- teeth
- mucous membrane of the oral cavity

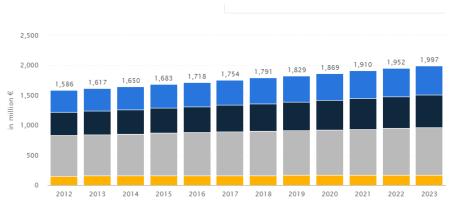
A last determining factor within the definition of a cosmetic product is composition. It needs to conform with the EU cosmetic regulations. If the composition of the product is not according the following regulations it cannot be marketed as a cosmetic, despite claims made.

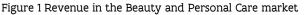
- ingredients which are prohibited in cosmetic products.
- ingredients which are restricted in cosmetic products.
- preservatives, UV filters and colorants which are permitted in cosmetic products (preservatives, UV filters and colorants not listed in the Schedules to the Regulations are not permitted in cosmetic products).

3. BEAUTY MARKET IN SWEDEN

The total revenue in the Beauty & Personal Care market amounts to US\$2,110m in 2020. Predictions regarding the market are optimistic. It is expected to grow annually by 2.2% between 2020 and 2023. Also visible in figure 1 is that the category cosmetics and skincare are the ones expected to add the most revenue to the overall market in a prediction until 2023.

In relation to total population figures, per person revenues of US\$08.94 are generated in 2020. In global comparison, most revenue is generated in the United States with a revenue of US\$84,970m in 2020. The top five markets according to revenue are the US, China, Japan, India and Brazil. Sweden lists as 41st country. The market's largest segment within the Beauty & Personal Care market is the segment Personal Care with a market volume of US\$856m in 2020. (Statista, 2020)





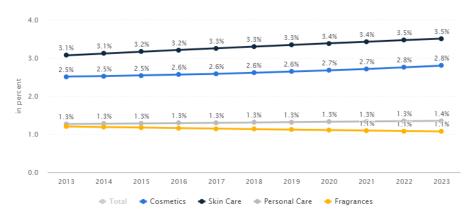


Figure 2 Revenue growth in the Beauty and Personal Care market

3.1 TRENDS IN THE BEAUTY AND COSMETICS MARKET

Scandinavian beauty is becoming more and more popular in contrast to the heavy beauty routines previously popular, such as the Korean beauty routine. The ethos in Scandinavian beauty routines is simplicity, practicality and function. Minimizing beauty routines and other aspects of life considering sustainability and ecological footprint is something more and more consumers are wanting to do, and the Scandinavian philosophy supports that.

In 2017, research of Mintel Beauty and Personal care trend brought to light several aspects of Scandinavian life and showed its introduction in the beauty world. Back to basics and the hygge trend from Denmark pushed consumers to rethink their complicated routines and get back to a simpler life as well as minimize stress factors.

Followed up by the Hygge trend was the Swedish replacement of Lagom, which translates to "not too much, not too little". This word pushed forward a trend of living a balanced and proportioned life as well as bringing simplicity into several routines. This translates into all aspects of the beauty world and its products. In skincare and cosmetics, this trend is visible in all aspects of product development, from packaging and logo to formulation. This means that the packaging of a product tends to be straightforward and simple, with clean lines and neutral, soothing colors that will appeal to minimalist consumers. Regarding formulation this means that the product cannot contain extra ingredients, like artificial fragrances and parabens.



In Sweden specifically, a trend of expansion of private labels by pharmacies and beauty retailers is prevalent right now. In the last few years, retailers such as H&M and their & Other Stories apparel have built up a considerable share of beauty lines and products. In 2015, H&M aggressively expanded its own private label, launching more than 1000 new beauty products. Other apparel retailers have added to the trend by following H&M in their addition having a considerable share of beauty products of their own. The reason

for the addition of beauty products to brands is due to the scope of increased value sales. Costumers are more likely to purchase some easy reachable beauty products along with the planned purchase before reaching the counter.

Private label products still have the competition of external brands as none of the retailers solely sell their own products. These low-price generated products are therefore gaining sales every year as they below to the low-priced segment. H&M for example continued to increase its portfolio, moving into new category and sell products in the H&M conscious line focusing on ecological beauty.

Another trend that is visible in Scandinavian and more specifically in Sweden is the foundation in science. In every establishment story about cosmetic brands, the word science is dropped several times, especially in skincare. Brands are very specific in ingredients that work well and are scientifically proven to work well. Packaging often mentions active ingredients very prominently and the name of the product is often the scientific name of the active ingredient in it.

3.2 TOP BEAUTY BRANDS IN SWEDEN

The market in Scandinavia and more specifically Sweden is divided up differently than beauty markets in other countries in Europe. In Sweden, there is a vast number of different small brands as opposed to some big retail players with a beauty assortment. Looking only at turnover, the biggest players in the Swedish market can be identified as H & M Hennes & Maurits Sweden, Lindex Sweden and Unilever Sweden. The top 10 "beauty brands" in terms of turnover can be found on the right.

	÷	Turnover in million SEK	÷
H&M Hennes & Mauritz Sverige AB		6,690	
Lindex Sverige AB		3,302	
Unilever Sverige AB		3,284	
Runsven Aktienbolag		2,535	
Kicks Kosmetikkedjan AB		2,195	
L'Oreal Sverige AB		1,732	
Foreo AB		1,591	
Orkla Care AB		1,302	
Henkel Norden Aktiebolag		1,285	

Figure 3 Top 10 brands on turnover for beauty

Important to note is that these beauty brands are often retailers that have beauty in their product range and therefore often have a higher turnover, as explained in the trends above.

The current trend in Sweden consists of many smaller and specifically focused beauty brands instead of a few big players in the country or in Europe. This is the consequence of digital marketing through less conventional channels, such as social media.

Below are some of the most popular but relatively smaller beauty brands in Sweden (McMeekin, 2018).

1. Idun

This Swedish beauty brand was founded in 2011 and is a makeup line based on highly purified minerals. Product development is done in consultation with dermatologists and Swedish researchers, which means their products for face, eyes, lips and nails suit is adapted to all different sorts of skin. Available only in Swedish pharmacies. (Idun, 2020).

https://idunminerals.com/

2. Verso

Verso was launched in 2013 and has the goal of being a utility-minded contribution to skincare, committed to providing essential products that effectively target the skin's daily needs. With science as a starting point, Verso aims to makes high-quality products with a low ingredient count (Verso Skin, 2020).

https://versoskincare.eu/?___store=verso

3. FACE Stockholm

Founded by Gun Nowak in the early '80s, FACE was the idea of Gun Nowak because of not finding the right makeup for herself. In 1982, she opened the first FACE Stockholm shop and it was immediately a roaring success. The FACE Stockholm of today has evolved with the times and has a global following (FACE Stockholm, 2020). https://facestockholm.com/

4. & Other Stories

The brand is known for being the posh, big sister of H&M, but now the makeup line is garnering attention and a growing number of fans. This is due to not just affordability but also because the makeup compliments the fashionable items on the racks. They offer the full range of lip, brow, eye, and nail products, and the line is updated regularly (& Other Stories, 2020). https://www.stories.com/en_eur/index.html

5. SACHAJUAN

SACHAJUAN is a brand driven by the beauty of simplicity. The company has a mission in making haircare less complex range, they wanted to make things easier for stylists and clients. The name originates from our founders Sacha Mitic and Juan Rosenlind who combined their names to form SACHAJUAN when they started their Stockholm salon in 1997. https://sachajuan.com/



& other Stories



VERSO

SKINCARE

STOCKHOLM

SACHAJUAN



6. Isadora

The brand originated in the '80s and has grown to become the go-to affordable makeup brand that puts the emphasis on quality products that are 100% mineral. This brand is often the first one younger consumers try. The company prides itself in their elegant packaging, non-perfumed products, and extensive range of choice (Isadora , 2020).



https://www.isadora.com/

3.3 DIFFERENCES WITH BELGIUM

1 Product Aesthetics

A difference with Belgium is the look and feel of the product and by extension the brand. In Sweden a brand is born from a specific concept and story such as the history of the brand or the 'lagom' concept. This is in Belgium not the case. A consequence of this is that this seeps through in the way branding and marketing is done as in Belgium the marketing is focused on the result of the product whether in Scandinavian countries, the concept of simplicity and transparency is used to advertise as well as the connection to the audience through the use of influencers matching the look of the product. The difference can be seen below. Sweden uses simplicity and calmness as a selling point in for example packaging



2 Branding and marketing

A difference in branding and marketing is definitely noticeable. In Belgium, a story surrounding a product is barely used to market it to a specific audience. There are some big brands such as Maybelline and Essence that target towards a younger audience, and there are the bigger brands such as Chanel and Dior for a more mature audience. But these big brands barely need any advertising. This is not the case in Sweden, because of the diversification in cosmetic brands, there is more marketing present. This is often done through the use of influencers and models and need to fit with the specific brand of the product. An example of branding through the use of influencers is former miss Sweden Emma Strandberg, who has a website and often is seen promoting different cosmetic products.

Example of Swedish Cosmetics Website: <u>https://lowengrip.com/</u>

3 Emphasis on simplicity of ingredients

A third difference in the cosmetic market in Belgium versus Sweden is the emphasis on the simplicity of the ingredients in Swedish cosmetic products. This is not the case in Belgium. The emphasis on active ingredients and using these as a unique selling point is typically Scandinavian, it sends the consumer a clear message of the purpose of the product and will simply tell what the product is good for. For example, the name of a product of Verso is the active ingredient, either being retinol or vitamin A.

3.4 THE SWEDISH COSMETICS, TOILETRIES AND DETERGENTS ASSOCIATION (KOHF)

The Swedish Cosmetics, Toiletries and Detergents Association is a trade association of companies that import, manufacture or market cosmetics (incl products for professional use) and detergents. The organization has regular contact with national authorities such as the National Chemicals Agency (Kemikalieinspektionen), Environmental Protection Agency (Naturvårdsverket), Work Environment Authority (Arbetsmiljöverket) and Medical Products Agency (Läkemedelsverket, Cosmetics) (KOHF, 2019).

The goals of the organization can be defined as the following:

- *1. To promote the cosmetics and detergents industries and broadening the knowledge of the industries and their products.*
- 2. To capture, channel and pursue issues of common interest to member companies versus government agencies, departments, groups of customers, consumers, other organizations etc.
- 3. To be one step ahead concerning health and environmental issues.
- *4. To promote international cooperation and harmonization of Swedish legislations with EU directives and regulations.* (KOHF, 2019)

Contact info

Visiting address: Storgatan 19, Confederation House, Stockholm Post address: Box 5501, 114 85 Stockholm

Staff

Everyone can reach staff shown on the contact page by the following e-mail address: <u>first name.surename@ktf.se</u>. (https://www.kohf.se/om-ktf/kontakt) <u>info@ktf.se</u> is also available

CEO Olof Holmer

General responsibility for the company and the board of directors of KoHF. Also works operationally with various projects. T 070-950 70 19 E olof.holmer@ktf.se

Next to the different goals previously mentions, KOHF offers a fact data bank offering an alphabetical list of regulations according to products and chemicals allowed in cosmetics in Sweden. The organization offers training and seminars regarding the industry, accessible after registering through the website. This can be done through the following link: <u>https://www.ktfutbildning.se/</u>

A company can also become a member of the organization by contacting the organization or the following people.

Olof Holmer, Managing Director Peter Jansson, Cosmetic products Anna Melvås, Detergents and Cleaning products Anneli Håkansson, Swedish Beauty & Cosmetics Awards and Look Good Feel Better

4. BRANDING

Sweden is categorized as a consumer society. Price is considered the main factor for purchasing the product, followed by quality by a close second place. Other important factors are the seller's know-how as well as the after-sale service. In Sweden, 53% of Swedish consumers research a product online before going to a store, 13% inquire in-store before making a purchase. The choice of payment methods is also an important factor. 50% to 75% of purchases will be made on the internet.

Consumer confidence has been dropping since the end of 2017, falling below the average for OECD countries. Although consumers are relatively open to international brands, Sweden's favorite brands are national. In the top 10 favorite brands, only 2 international brands appear (Apple and Google in 9 and 10th position) (Satander Trade Markets , 2020).

In 2017, Swedish consumers were measured to be increasingly less loyal to brands with 77% of loyalty programs failing within 2 years. A program does not define or lock the loyalty of a person.

What is important to note is that the penetration rate of social networks in Sweden was 72% in 2017 and has increased to almost 80 % today, and 58 % of Swedes use them every day in 2017. The most used social media channels in Sweden are Facebook, Twitter and Instagram, with Facebook having a considerable lead.

Among the ways to make buying decisions, following influencers is the most important.

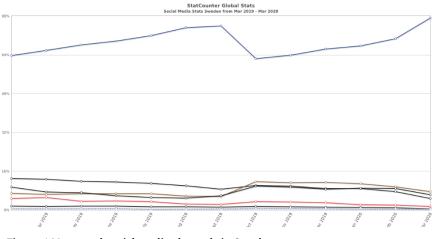
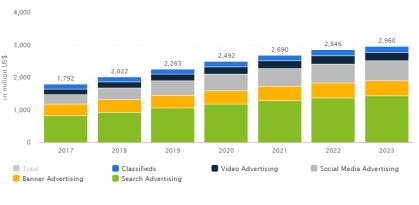
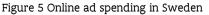


Figure 4 Most used social media channels in Sweden

Ad spending for online adversting had increased in the last few years and has been predicted to continue rising throughout the coming years. In 2020, online ad spending in the digital adversting market is expected to amount to US\$ 2,492 million. Important to note is that mostly search advertising as well as social media advertising are expected to become more and more important. Social media advertising has risen





from US\$ 293 million in 2017 to US\$ 499,6 million in 2020 and is even expected to rise to US\$ 252,6 million in 2023. The same rise goes for search advertising with a spending of US\$ 817 million in 2017 to US\$ 1.174, 1 million and an expected expidenture of US\$ 1.443,3 million in 2023. (Statista, 2020)

Advertising and the spending according to Statista Sweden is more effective on mobile applications such as social media. Because of the applications on mobile phone, they have become more significant. Below, you can find the split between desktop and mobile advertising spending. The prognoses for 2023 will be that 31 % of total ad spending in Sweden will be generated through mobile.

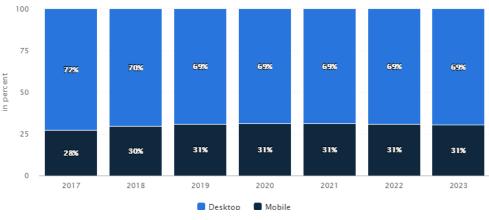
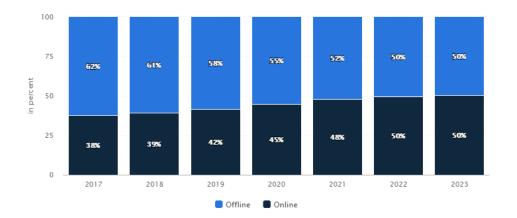


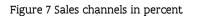
Figure 6 Split between desk and mobile

4.1 ONLINE BRANDING

The most prominent part of the promotion and branding Scandinavian beauty products is the "Scandinavian aesthetic". Aesthetic can be defined as having a sense of the beautiful; characterized by a love of beauty. Part of the Scandinavian branding is that the products fit in perfectly with the minimalist lifestyle movement that has been trending in the last few years in both the fashion and beauty community.

Online branding is becoming more and more important in the current beauty industry in Sweden. In the beauty & personal care market, 50 % of total revenue will be generated through online sales by 2023. The evolution has been apparent. With an online-sales share of 38 % in 2017 to 45 % in 2020, it shows a steady increase due to the rise in popularity of online shopping as well as social media usage. Online sales are only expected to increase even more soon.





According to KoHF, links to bloggers and opinion leaders are coming more and more to the forefront. On top of this, social collaborations are becoming more important too. To keep in mind however is that third party communication has attracted attention to confuse readers with what advertising is and what PR is. Recently, the consumers' ombudsmen in the Scandinavian countries have agreed to coordinate their efforts against hidden advertising on social media. The Swedish Commission for Advertising Media for Public Relations has developed guidelines in this aspect and makes recommendations on how companies should relate to opinion formers on social media – regardless of the channel.

The aim of the recommendations is to disseminate knowledge about the regulations applicable to companies and advertisers working with publicity and marketing in social media and to promote good and ethical cooperation between advertisers and opinion leaders.

The recommendation is that companies working with PR and communicating through third parties have to work together with opinion leaders in social media, as they do in traditional media. They stress that many bloggers and other opinion makers on social media are young and do not have the same level of education as reporters, thus businesses have a special duty to ensure that marketing communications do not violate the Marketing Act or the rules of the International Chamber of Commerce (ICC) for advertising and marketing communications.

"Young bloggers and opinion makers are often unfamiliar with normative or market rules. It is therefore up to the advertiser to ensure that the blogger is also aware of the rules that apply to paid partnerships. If the blogger is incapacitated for work, we recommend contacting the administrators,"

Maria Mossenberg, head of communications at L'Communicationsreal and chairman of the Swedish advertiser's public relations committee.

The recommendations made by KoFH also indicate the importance of advertising. If an advertiser is part of a collaboration with an opinion leader, the collaboration must be advertised with a text that directly indicates that it is a collaboration and who the advertiser is.

"It is possible to participate in this form of advertising, but it is the advertiser's responsibility to advertise the posting if it is a paid collaboration, so that the reader can form their own idea of a product or service. Nobody benefits from minimizing the credibility of blogs and other social channels, and there is also a risk that it looks back on the advertiser's brand," Maria Mossenberg.

Below, a chart including the top Swedish Instagram influencers can be found. The majority of these influencers are categorized as lifestyle, beauty and health influencers, all accepting sponsorships and adverstising offers.

Top Sverige 2019	Nickname	Followers Dec 2019	Engagement	The average amount of comments	Growth per day
Anna Nyström	annanystrom	8,4M	2,90%	1711	1800
Rachel Brathen	yoga girl	2.1M	1,40%	295	45
Linn Löwes	linnlowes	2,1M	3,80%	773	1400
Kenza Zouiten	kenzas	1,9M	4,70%	185	63
Clara Lindblom	clara lindblom	1,97M	4,90%	931	1800
Hanna Öberg	hannaoeberg	1,74M	2,50%	270	1600
Janni Delër	Jannid	1,4M	13,50%	1423	559
Christoffer Collin	wisslaren	1,2M	2,20%	159	-97
Bianca Ingrosso	blancalngrosso	1,1M	5,50%	316	211

Figure 8 top 10 Instagram influencers Sweden

Important to note is that the trends currently going on in the beauty industry in Sweden are also reflected in the branding online. Websites are often white and clean, representing a minimalistic aesthetic appealing to the simpler and balanced lifestyle many Swedes, and other nationalities strive for.





5. MOST IMPORTANT EVENTS AND MAGAZINES

5.1 TRADE FAIRS

Note that Covid-19 restrictions may apply. Stay updated.

International Conference on Dermatology and Cosmetology

International conference provides a platform for researchers and decision makers to present their research work and learn about all the important advancements in the field of dermatology. A second focus is cosmetology. <u>https://10times.com/cosmetology-and-dermatology-abu-dhabi</u>

Date: to be determined Place: Stockholm Delegates: 500-1000

Skin & Cosmetics

The fair is a significant meeting place in the skincare industry and the only trade fair in Sweden that directly addresses people who work in the skincare and beauty industry.

https://10times.com/skin-cosmetics

Date: 03 - 04 Sep 2020 Place: Kistamassan AB, Stockholm, Sweden Visitors: 20.000 + Exhibitors: 500 +

Eco Life Scandinavia

Eco Life Scandinavia is the new name for Natural Products Scandinavia. It is already known as the most successful show for natural health, beauty and sustainable living within the Nordic region, the new name reflects the growing consumer awareness, that consumers all need to embrace a healthier and more sustainable lifestyle. <u>https://10times.com/natural-products-scandinavia</u>

Date: 11 - 12 Nov 2020 Place: MalmoMassan, Malmö, Sweden Visitors: 500 Exhibitors: 500

Stockholm beauty week

Stockholm beauty week is a week filled with events and network activities in partnership with influencers and bloggers, lifestyle magazines and beauty brands. This is a good event to bring people together and start partnerships in terms of branding and promoting. On top of this, there are often many online influencers attending this event as well. <u>http://stockholmbeautyweek.se/hem/</u>

Date: 20-22 Oct 2020 Place: Stockholm, Sweden

5.2 SWEDISH BEAUTY MAGAZINES

Nordic Style Magazine

Available online and in paper. Focus on fashion, design, culture and beauty. Magazine is spread in 13 different countries across the globe. Contact: <u>http://www.nordicstylemag.com/about-us-nordic-style-magazine/</u> <u>http://www.nordicstylemag.com/beauty/</u>

Amelia

Available online and in paper. Focus on relations, lifestyle, health, gossip. Contact: Filippa Wijkström for advertising <u>info@amelia.se</u> | T +4687365300 Bonnier Magazines & Brands, 105 15 Stockholm offer: Gjörwellsgatan 30, Stockholm <u>https://www.amelia.se/</u>

Elle Sweden

Available online and in paper. Focus on fashion, beauty, decorations and blogs. Good representation of the typical Swedish look and brands. Contact : https://www.elle.se/kontakt/ T 08-57 80 10 00 | E ellered@elle.se Post address: ELLE, Box 27 700, 115 91 Stockholm Visiting address: Humlegårdsgatan 6, 114 46 Stockholm https://www.elle.se/

Damernas Värld

One of the oldest Swedish magazines. Focus on fashion and beauty and Swedish brands. They have a separate page linking all their bloggers. Contact: redaktionen@dv.bonnier.se https://www.damernasvarld.se/

Femina

Traditional Swedish magazine. Focus on fashion and beauty (Swedish and international brands). Contact: <u>https://www.femina.se/nyhetsbrev/</u> <u>https://www.femina.se/</u>

5.3 BEAUTY PRODUCT DISTRIBUTORS

Dermarome Stockholm Aktiebolag

www.dermarome.se info@dermarome.se T +46-8-53480080 Stockholm CEO: Lars Borgmalm

Ellancé Aktiebolag

www.ellance.se info@ellance.se T +46-8-54568850 Stockholm CEO: Grynet Geldern DMK Sverige AB www.dmksverige.se info@dmksverige.se T +46 42-260100 Råå CEO: Mette Rångved

The Hair&Body Company in Sweden AB www.hair-body.se info@hair-body.se T +46-73-9805778 Stockholm CEO: Bo Melin

Landström Care & Beauty AB

www.landstre.se info@landstromcarebeauty.se T +46-70-6887400 Askim CEO: Leif Landström Luxoro www.luxoro.se info@luxoro.se T +46 46 8-56488900 Stockholm CEO Hans Haglund

Scandinavian cosmetics

www.scandinaviancosmetics.se info@scandinaviancosmetics.com T +46 40-311500 Malmö CEO Ragne Johnsson

E. Saether AB www.saether.se info@saether.se T +46 46 8-56488900 Stockholm CEO Britta Block

Tree of brands www.treeofbrands.com hello@treeofbrands.com Tel +46 72 7458683 Stockholm CEO : Emma Berggvis

6. REGULATIONS

With the abundance of information readily available and the increasing popularity of the Scandinavian and general beauty markets, there are regulations on a national as well as a European level present. Some of the most important regulations and documents can be found below.

6.1 REGULATIONS ON A EUROPEAN LEVEL

Via the website of the European commission, all regulation regarding the cosmetics market is collected and published. The link to all the regulation can be found here: https://ec.europa.eu/growth/sectors/cosmetics/legislation_en

6.2 REGULATIONS ON A NATIONAL LEVEL

Law regarding the marketing of cosmetics can be found on the website of KOHF. In the fact database, all regulation according to subject can be found in alphabetical order. Most regulation in Sweden or Scandinavia follows European guidelines. But specific guidelines are highlighted for the companies interested exporting or establishing in Sweden.

6.2.1 Marketing & Branding

The content of marketing regarding cosmetic products is regulated by several actions and guidelines of the European Union, the most important ones, according to KOHF, are listed below:

EU Regulation 1223/2009 on cosmetic products (Article 20).

This is the main regulatory framework for cosmetic products within the EU, which also provides the basis for claims and directives on claims. Concepts are defined here, and a general definition of cosmetics is given according to the European Commission.

EU Regulation 655/2013 on common criteria for claims made on cosmetic products and referring to them.

The purpose of this document is to protect the end users of cosmetic products against misleading claims by providing clear criteria for both companies and authorities. They apply to statements printed on the packaging regardless of the media or the type of marketing tools. These criteria should be used once it has been established that a product is a cosmetic product.

The six common criteria are presented in the Regulation with short explanatory texts.

Technical document.

A replacement technical document on claims made about cosmetic products.

Responsible advertising and market communication of cosmetic products

The advertising ombudsman, an assessment body with an indicative role in advertising, adopted the European industry document (in Sweden through KOHF) on responsible advertising and marketing communication for cosmetic products.

KOHF's Responsible Marketing document is a translation of the document prepared by the European cosmetics organization Cosmetics Europe. These documents are available in Swedish and English.

Other recommendations of the European Commission: information on animal experiments, protection from the sun.

This document is concerned with marketing communication on animal testing. It also contains the Recommendation of the European Commission in marketing communication on the guarantee that no animal testing has been carried out. The marketing of cosmetic products which are sunscreen products should consider the recommendations of the European Commission on market communication on labelling and claims made on sunscreen products.

6.2.2 Advertising language

The issue of language requirements for cosmetics labelling is a concern for many companies, especially from abroad. There are several examples of how municipal inspectors have been remarkably strict in their supervision of product labelling.

"The text of the rules can be found in Article 19 of Regulation (EC) 1223/2009, § 4 of Regulation 2013: 413 and § 2 of the rules of the Swedish Medicines Agency (LVFS 2013: 10). In addition, there are rules on the marketing of cosmetic products in Article 20 of Regulation (EC) 1223/2009 and in Regulation (EU) 655/2013."

The previous regulations state that certain texts concerning the product must be written in Swedish when a cosmetic product is made available to the end user on the Swedish market. This applies, inter alia, to the amount of content, the best-before date, special precautions to be observed in use and the effect of the cosmetic product, the so-called product name (Jansson, Language Regquirements, 2020).

The Glossary of the Swedish Academy (SAOL) explains which words in the cosmetics and marketing sector are considered Swedish or not. However, in the case of cosmetic product names, it is not appropriate to apply this definition. Table 1 below lists three product names found in SAOL and thus, by definition, part of the Swedish written language. This means that the words 'After Shave', 'Eau de Cologne' and 'Rouge', for example, are Swedish. These words can be used in English because they are accepted by the list but other terms such as 'conditioner', 'bodylotion' and 'foundation' cannot be used in English and are obligated to be used in their Swedish translation (Jansson, Language Regquirements, 2020).

However, a basic rule for cosmetic products is that they must be safe for human health under normal and reasonably foreseeable use. KOHF has identified five product types that are of particular importance when it comes to product labelling and understanding the function of the cosmetic product. Abuse in these product groups can lead to an undesirable or serious undesirable effect. Therefore, labelling of these products should contain clear information on the function, instructions to the user and precautions to be observed during use. These markings must also be in Swedish (Jansson, Language Regquirements, 2020).

- 1. Aerosols
- 2. Hair
- 3. Dental and oral products
- 4. Sun Care
- 5. Gel varnish (and other hardening products)

Contact

Any questions regarding regulation on cosmetics in Sweden and by extension Europe can be asked to the organization.

Peter Jansson Cosmetische producten, regelgeving 070-825 08 48 peter.jansson@ktf.se

7. EXPANDING TO SWEDEN

Sweden is a welcoming country for foreign investors wanting to export to - or collaborate with Sweden. Information is readily available, and companies already established are transparent and open. Information on both the market as well as the government procedures is often available in both Swedish and English. Often business procedures are smooth and efficient. Local advisors and business partners are often the most prized aspect of starting up a business or collaboration in Sweden. Swedish companies are often very open to partnerships. But important to keep in mind is that competition in the beauty sector may be fierce. With most of the population, being 85 %, living in the southern part of the country, it is wise to establish yourself in that area. Stockholm, Gothenburg, Malmö or Uppsala are the four major cities. On top of this, Sweden, with its geographical location is a great place to start expanding to the greater Scandinavian region.



Figure 9: globalization

With a well-established distribution network, the Norwegian, Danish and Finnish markets are easily available.

Collaborations, trade or expansion of your company within the EU are facilitated.

7.1 RELAXED ATMOSPHERE

Doing business in Sweden can be challenging regarding the understanding of a new culture. The business culture may seem similar, despite this, the Swedish way of working is different from other countries in the EU. Communication in a business environment is relaxed and more on the casual side. After meeting for the first time, people often address each other by their first name in written as well as spoken word. The more relaxed atmosphere also translates into a horizontal working environment. This means that a shorter chain of command is present, and that transparency is important for the higher executives. Hierarchy is not present in the company and titles or statuses are just that. That way, it is easy to reach an executive or CEO. Furthermore, relaxed but conservative clothing often is accepted in the office, but dressing up for a meeting always shows for an appreciation or sign of respect (Sweden, 2020).

7.2 **LAGOM**

Lagom is a concept not used in the Belgian way of doing business. It cannot be translated but is often described as "not too much or too little", it means adequate. The concept is used in the Swedish society for just about anything, including the beauty brands mentioned above. It describes the need to do just the right amount of work for a specific task. This concept is not just applied in business, but in other areas of life as well such as health and beauty (Sweden, 2020).

7.3 FIKA

"Fika" is another Swedish concept that is present in every company imaginable. "Fika" can be defined as a break with the purpose of chatting and networking. It is done every day, two or three times a day. Often, coffee is drunk, and cake or pastries are presented for special occasions. Contrary to the belief that breaks lower the productivity, Swedish people are hard workers and like to get the most out of their time at work. That is why often, they can be a bit more flexible. Because if the work is done, the work is done. Regardless of the little bit of flexibility in Sweden, punctuality is very important. Swedes like to be on time.



Figure 10: Fika break-image bank from Sweden

7.4 DECISION MAKING

Decision- making is an important part of business. Because of the transparency usually present in doing business, consensus and compromise are important. Important decisions are often communicated throughout the whole company and all levels before a conclusion is reached. One person does not need to take credit, as Swedish people often do not strive to stand out from the crowd or take credit for something that was not 100% their effort. This aspect of doing business makes sure that people feel comfortable, but it can stretch out the decision process if not everyone agrees.

7.5 DO'S AND DONT'S IN SWEDEN

DO's	Dont's
Always be on time or even a bit early.	Force small talk
Address someone by last name the first	Boast or brag about your accomplishments.
time, then switch to first name.	
Just enough for every task	Force a relationship
Do learn the basics of Swedish	Rush a decision process.
Plan ahead.	Make plans last minute

8. RELEVANT SOURCES

8.1 SOME RELEVANT WEBSITES

KOHF	https://www.kohf.se/
Example of influencer	www.lowengrip.com
Example of influencer	www.emmmas.com
Eu cosmetics legislation	https://ec.europa.eu/growth/sectors/cosmetics/legislation_en

9. REFERENCES

& Other Stories. (2020). All Beauty . Retrieved from & Other Stories:
https://www.stories.com/en_eur/beauty/all-beauty.html
CTPA. (2020). <i>Cosmetic product definition.</i> Retrieved from CTPA:
https://www.ctpa.org.uk/definition-ofa-cosmetic
European Commission. (2020). Cosmetics legislation. Retrieved from European commission:
https://ec.europa.eu/growth/sectors/cosmetics/legislation_en
FACE Stockholm. (2020). <i>FACE Stockholm.</i> Opgehaald van FACE:
https://facestockholm.com/?aelia_cs_currency=SEK
Idun. (2020). <i>Idun Minerals.</i> Retrieved from Idun Minerals: https://www.idunminerals.nl/
Isadora . (2020). <i>Our Values.</i> Retrieved from Isadora : https://www.isadora.com/en/values/
Jansson, P. (2020, April 20). <i>Language Regquirements.</i> Opgehaald van KOHF:
https://www.kohf.se/vill-du-veta-mer/sprak
Jansson, P. (2020, April 20). <i>Marketing.</i> Opgehaald van KOHF:
https://www.kohf.se/vill-du-veta-mer/marknadsforing#anchor-kosmetik
KOHF. (2019). <i>The Swedish Cosmetics, Toiletries and Detergents Association (KoHF).</i> Retrieved from KOHF:
https://www.kohf.se/om-kohf/kohf-in-english
McMeekin, S. (2018, September 28). <i>Scandi beauty is the next big thing.</i> Retrieved from Glamour magazine:
https://www.glamourmagazine.co.uk/gallery/scandinavian-beauty-trends
Ministry of Enterprise and Innovation. (2018). National approach to Artificial Intelligence. Stockholm:
Government office of Stockholm.
Satander Trade Markets . (2020, March 20). <i>SWEDEN: REACHING THE CONSUMER.</i> Retrieved from Satander:
https://santandertrade.com/en/portal/analyse-markets/sweden/reaching-the-consumers
Startup Overseas. (n.d.). Why Expand to Sweden? Retrieved from Startup Overseas:
https://www.startupoverseas.co.uk/expanding-a-business-in-sweden
Statista. (2020). <i>Ad spending.</i> Retrieved from Statista:
https://www.statista.com/outlook/216/154/digital-advertising/sweden
Statista. (2020). <i>Beauty & Personal Care.</i> Retrieved from Statista:
https://www.statista.com/outlook/7000000/154/beauty-personal-
care/sweden?currency=eur#market-arpu

Statista. (2020, April 20). *Most popular social networks*. Retrieved from Statista: https://www.statista.com/statistics/621353/most-popular-social-networks-in-sweden-by-pageviews/

- Statista. (2020, April 20). *Top ten Instagram accounts in Sweden 2017, by number of followers.* Retrieved from Statista: https://www.statista.com/statistics/656191/most-popular-swedish-instagram-accounts-by-number-of-followers/
- Statista. (2020, April 20). *Youtbue Channels with the most subscribers in Sweden.* Retrieved from Statista: https://www.statista.com/statistics/584766/youtube-channels-with-the-most-subscribers-in-sweden/

Sweden. (2020). *Taking Care Of Business In Sweden*. Retrieved from Sweden: https://sweden.se/business/taking-care-of-business-in-sweden/

Verso Skin. (2020). *About.* Retrieved from Verso Skin: https://versoskincare.eu/about

10. ICONOGRAPHY

Figure 1 Revenue in the Beauty and Personal Care market	4
Figure 2 Revenue growth in the Beauty and Personal Care market	5
Figure 3 Top 10 brands on turnover for beauty	6
-igure 4 Most used social media channels in Sweden	11
-igure 5 Online ad spending in Sweden	11
-igure 6 Split between desk and mobile	12
-igure 7 Sales channels in percent	12
-igure 8 top 10 Instagram influencers Sweden	14
-igure 9: globalization	20
-igure 8: Fika break-image bank from Sweden	21

Disclaimer

The information in this publication is provided for background information that should enable you to get a picture of the subject treated in this document. It is collected with the greatest care based on all data and documentation available at the moment of publication. Thus, this publication was never intended to be the perfect and correct answer to your specific situation. Consequently, it can never be considered a legal, financial or other specialized advice. Flanders Investment & Trade (FIT) accepts no liability for any errors, omissions or incompleteness, and no warranty is given, or responsibility accepted as to the standing of any individual, firm, company or other organization mentioned.